

5 September 2022

BBIG Farm-In Agreement Terminated

Flinders Mines Limited (ASX:FMS) (**Flinders** or the **Company**) advises shareholders that after discussions between the Company and BBIG Group Pty Ltd (**BBIG**), the Company's Farm-In Agreement (**FIA**) with BBIG has been terminated by BBIG in accordance with the terms of the FIA, enabling Flinders to pursue a more flexible and staged development of its Pilbara Iron Ore Project (**PIOP**) as sole owner.

Flinders considers that a staged development of PIOP, encompassing a Stage One lower volume and near-term trucking operation to take advantage of current iron ore prices, is the optimum strategy to commence operations on site and provide a near term cashflow. Flinders will continue to investigate the development of Stage Two of PIOP, a higher volume operation involving rail, road and/or port facilities.

BBIH (which was the manager of PIOP under the terms of the FIA) has agreed to continue to provide management services for the PIOP, for a period of up to three months (or longer if agreed). The services will be provided on a cost-recovery basis and at the direction of PIOP Mine Co NL (now solely controlled by Flinders). This interim services agreement allows for the orderly transition of management of PIOP back to Flinders.

Flinders has engaged in preliminary discussions on the staged development of PIOP with third parties. Those discussions were enabled by the grant of a waiver by BBIG of various restrictions/agreements, such as exclusivity clauses (see ASX announcement 27 July 2022).

The termination of the FIA allows Flinders to negotiate a staged development of PIOP.

"The FIA termination provides Flinders with a more certain pathway to near term cashflow as we attempt to capitalise on current iron ore prices and pursue a less capital intensive, nearer-term mining and logistics solution," Flinders Chair Hon. Cheryl Edwardes AM said.

"Through the FIA, BBIG has progressed feasibility studies required to advance PIOP towards a Final Investment Decision as well as providing valuable funding to Flinders under a shortfall provision, both of which provided considerable value to Flinders.

"BBIG remains important to Flinders' long-term future through its potential infrastructure solutions for the Balla Balla Port and through its state rail agreement and associated permits required for a high volume infrastructure solution for PIOP. Discussions will continue regarding possible ways of Flinders accessing BBIG's infrastructure solutions and the Non-Binding Indicative Offer lodged by BBIG remains unaffected by the change to the FIA."

Pursuant to the FIA, there will be one final shortfall payment of circa \$10 million.

Authorised by:
Board of Flinders Mines Limited

For further information please contact:

Investors and Shareholders

Andrew Whitehead
General Manager – AWhitehead@flindersmines.com

About Flinders Mines Limited

Flinders Mines Limited is an ASX-listed (ASX: FMS) exploration and development company focused on the commercialisation of the Pilbara Iron Ore Project (PIOP). The PIOP is located approximately 70km from Tom Price in Western Australia's iron ore-rich Pilbara region.